

# Results of Washington and Oregon Green Power Legislation

Diane Zipper

Director of Green Power Programs

Renewable Northwest Project

503-223-4544

[www.RNP.org](http://www.RNP.org)

[diane@RNP.org](mailto:diane@RNP.org)



Renewable Northwest Project

# Renewable Northwest Project

Generating Support for New Renewables

- Providing project review and support
- Launching Policy and Market Initiatives
- Urging utilities and businesses to embrace renewable energy
- Building a green power market



# Washington State Legislation

- House Bill 2247
- Created in 2001 - took effect January 1, 2002
- Affects all utilities over 25,000 meters (16 in the state)
- Utility must offer retail customers green power choice(s)
- Utility must report annually on:
  - description of option(s)
  - rate of customer participation
  - amount purchased by customers
  - amount of utility investment in renewables (if any)
  - results of pursuing aggregated purchasing opportunities (if any)

# Oregon Electricity Restructuring Law

- SB 1149
- Passed in 1999, effective March 1, 2002
- Affects IOU's only
- Large commercial customers have open market option
- Residential/very small commercial customers remain regulated, but:
  - New choices (5 implemented)
  - Basic Service, Time Of Use, at least one green power option
- 3% Systems Benefit Charge for renewables and conservation programs



# Participation Rates

## Residential customers participating

- All 18 Washington utilities: 17,607
  - Washington required utilities: 16,880
  - All 10 Oregon utilities: 40,269
  - Oregon IOU's: 36,436
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- Oregon's IOU's have over twice the number of participants as Washington's required utilities.



# Participation Rates

## Percentage of residential customers

- Washington overall: .98%
  - Washington required utilities: .70%
  - Oregon overall: 1.60%
  - Oregon IOU's: 3.38%
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- Oregon's IOU's have over four times the participation rates as Washington's required utilities □ □

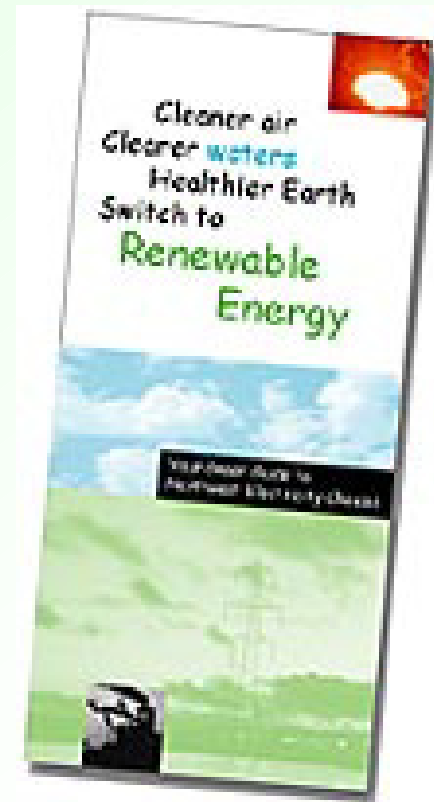


**Why So Different?**



# Creation of Policies

- Oregon:
  - SB 1149 created by coalition of customers and public interest groups
  - Process took many years
  - Outcome was something utilities and public interest groups could be excited about
- Washington:
  - HB 2247 created by the State Legislature without much input by utilities or public interest groups
  - Response to energy crisis
  - More comprehensive energy legislation was proposed but not passed





# Implementation Process

- Oregon:
  - Coordination and communication between utilities, public interest groups and Public Utility Commission (Portfolio Advisory Committee created)
- Washington:
  - Utilities required by law to implement green power program



# Education and Marketing

- Oregon's law allows more funding for education and marketing
  - General funds set aside to be used for education on all new choices
  - Washington law states that “All costs and benefits of this voluntary program shall accrue to program participants”
    - Different interpretations of just what this means
    - Utilities feel very restricted in spending money on outreach
- Oregon utilities bid out supply and marketing for 2 of 3 products
  - Green Mountain Energy Company won both bids
  - Brought extensive marketing expertise and experience



# Other Differences

- Program length
  - Oregon options available since 2000
  - Most Washington options available since 2002
- Choice
  - Oregon customers have 3 green power options
    - Block product, 100% renewables, and 100% + Habitat component
  - No Washington utility offers more than one choice
- Proximity of service territories
  - In Oregon, both utilities overlap in Portland metro area
    - Agreed to consistent marketing, outreach and messages
  - Not happening in Seattle metro area



# Successful Utility Programs

- Education and marketing
- Partner with local organizations
- Enthusiasm at higher levels
- Support local resources
- Range of choices
- Priced right



# Conclusions

- Laws are good, but need to be the right ones and have stakeholder involvement
- Utilities need enthusiasm at high levels
- Time can be a factor
- Not a substitute for utility purchases on behalf of all customers

